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# Message Text

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15
ACTION ARA-06

INFO OCT-01 SS-14 ISO-00 INR-05 SP-02 L-01 EB-03 RSC-01

NSC-05 NSCE-00 OES-02 /040 W
---------- 111408
R 142139Z NOV 74
FM AMEMBASSY QUITO
TO SECSTATE WASHDC 3351
INFO AMCONSUL GUAYAQUIL

C O N F I D E N T I A L QUITO 7782

LIMDIS

E.O. 11652: GDS
TAGS: EINV, PFOR, EC
SUBJ: ADA CASE

REF: STATE 249590

1. BECAUSE WE KNOW THAT THE FOREIGN MINISTRY REFERRED ECUADOREAN CHARGE GABELA'S CABLE TO THEN MINNATRES JARRIN FOR COMMENT AND REACTION AND WE KNOW THAT JARRIN'S CHIEF ADVISER CABEZAS GAVE A XEROX COPY TO ADA ATTORNEY JIMENEZ BEFORE ITS PUBLICATION, WE THINK IT PROBABLE THAT SOME MEMBER OF THE OUTGOING GROUP IN THE MINISTRY OF NATURAL RESOURCES ALSO DIRECTLY OR INDIRECTLY PUT IT IN THE HANDS OF SENSATIONALIST EL EXPRESO WITH THE PURPOSE OF EMBARRASSING BOTH THE USG AND THE GOE AND COMPLICATING THE LIFE OF INCOMING MINISTER SALAZAR. THIS BEHAVIOR WOULD BE ENTIRELY CONSISTENT WITH JARRIN'S AND HIS ADVISERS' CONTEMPORARY ACTIONS TOWARD TEXACO-GULF. AS DEPARTMENT IF FULLY COGNIZANT, IN THEIR FINAL WEEKS IN OFFICE THEY SUCCEEDED IN SERIOUSLY COMPLICATING GOE/TEXACO-GULF RELATIONS, LEAVING SALAZAR THE DISAGREEABLE CHOICES OF LOWERING TAXES ON THE FOREIGN MULTINATIONALS OR MOVING TOWARD A TAKEOVER.

2. THUS, WHILE WE AGREE WITH LASSITER THAT GABELA CABLE LEAK AND FUROR ABOUT ADA WAS A "DELIBERATE EFFORT", WE DISAGREE THAT IT TELLS US ANYTHING AT ALL ABOUT A "PREDETERMINED GOE DECISION
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TO OFFER LITTLE OR NO COMPENSATION FOR ADA CONSORTIUM INVESTMENT"

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(REFTEL). OBVIOUSLY, THE ADA PROBLEM HAS BEEN COMPLICATED FOR ALL INTERESTED PARTIES, AS THE LEAKER INTENDED. FURTHER FRANK USG/GOE EXCHANGES ARE INEVITABLY INHIBITED. MOREOVER, GOE OFFICIALS WILL BE EVEN MORE SENSITIVE TO THE DOMESTIC REPERCUSSIONS OF ANY ACTIONS ON THE CASE AND PROBABLY MORE CAUTIOUS AND SELF-PROTECTIVE IN NEGOTIATIONS WITH ADA AS WELL AS IN WRITTEN COMMUNICATIONS. NEVERTHELESS, THE ONLY RESOLUTION THAT THE LEAK AND UPROAR SEEM TO RULE OUT IS RE-AWARD OF AN EXPLORATION CONTRACT TO ADA. THE CONVEYED USG POSITION IS THAT WE NEVER REQUESTED THIS OF THE GOE ANYWAY. THEREFORE, SINCE GOE HAS NOT BEFORE OR DURING RECENT UPROAR DENIED TO DEPARTMENT OR EMBASSY THE PRINCIPLE THAT ADA IS ENTITLED TO CONSIDERATION FOR ITS PAST INVESTMENT, EMBASSY'S ADVICE TO DEPARTMENT FOR ADA REMAINS WHAT IT HAS ESSENTIALLY BEEN SINCE AUGUST 15: FOR ADA TO PULL ITSLEF TOGETHER AND NEGOITATE COMPENSATION AS PROMPTLY AS POSSIBLE WITHIN THE FRAMEWORK SET UP BY THE GOE PRESIDENT AND CABINET FOR THE PURPOSE. IT SEEMS REGRETTABLE TO US THAT ADA HAS LOST SO MUCH TIME SECOND-GUSEEING GOE MOTIVES AND THUS FAR SPENT SO LITTLE GETTING DOWN TO MEANINGFUL TALKS WITH THE GOE HIGH LEVEL COMMISSION AND ITS DEPENDENCIES.

3. INDEED, ALTHOUGH EVENTS CANNOT BE UNDONE, IT SEEMS TO US THAT IF ADA PRINCIPALS HAD CONCENTRATED FROM THE OUTSET UPON NEGOTIATING PROMPTLY WITH THE HIGH LEVEL COMMISSION AND ITS DEPENDENCIES AND LESS UPON ANALYZING AND PONTIFICATING FROM HOUSTON ON ALLEGED DELIBERATE MOTIVATIONS AND PREDETERMINED MACHINATIONS OF ECUADOREAN POLITICS, THE BEMUSING GABELA REPORT AND THE LEAK MIGHT NEVER HAVE OCCURRED.
BREWSTER

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# Message Attributes

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**Capture Date:** 01 JAN 1994
**Channel Indicators:** n/a
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**Concepts:** PETROLEUM INDUSTRY, PRESS COMMENTS, COMPENSATION, GOVERNMENT REACTIONS, CONSORTIUMS, FOREIGN INVESTMENTS
**Control Number:** n/a
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**Draft Date:** 14 NOV 1974
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**Subject:** ADA CASE
**TAGS:** EINV, PFOR, EC, US, TEXACO, GULF, ADA, (GABELA)
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